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Letter dated 2 February 2010 from the Permanent Representative of Kazakhstan to the United Nations addressed to the Secretary-General

I have the honour to inform you that on 29 January 2010 in Astana, the President of the Republic of Kazakhstan, Mr. N. Nazarbayev, at the joint session of the Chambers of the Parliament of Kazakhstan, made the annual state-of-the-nation address, entitled "A New Decade, New Economic Growth and New Opportunities for Kazakhstan" (see annex).

The annual address is devoted to the implementation of the Strategy of Development of Kazakhstan until 2020.

In his address to the nation, President Nazarbayev shares his views on post-crisis development of our country and puts forward the tasks to ensure sustained economic growth by the forced industrialization, diversification, increasing competitiveness of the economy, improving business climate, stable functioning of the financial system of Kazakhstan and development of the infrastructure and to invest into the development of human capital alongside with raising living standards of the people of Kazakhstan.

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In the annual address, President Nazarbayev highlights priorities of our country as a Chair-in-Office of the Organization for Security and Cooperation in Europe for 2010 on the basis of the four "T's: trust, traditions, transparency and tolerance".

He also emphasizes the necessity to consolidate inter-ethnic consent within the nation, to strengthen national security and to develop further the system of international relations with the global community.

The text of the address is also available on the website of the Permanent Mission of Kazakhstan to the United Nations (www.kazakhstanun.org).

I request that the present letter and its annex be circulated as a document of the General Assembly.

(*Signed*) Byrganym **Aitimova**
Ambassador

Annex to the letter dated 2 February 2010 from the Permanent Representative of Kazakhstan to the United Nations addressed to the Secretary-General

[Original: English and Russian]

A New Decade, New Economic Growth and New Opportunities for Kazakhstan

Address of the President of the Republic of Kazakhstan, Nursultan Abishuly Nazarbayev, to the people of Kazakhstan

Dear people of Kazakhstan!

One of the difficult periods in the development of our country in the history of the twenty-first century is coming to an end. The storm of global crisis damaging the world economy still remains. Nevertheless, its force is already different from its original condition. Thanks to our complete readiness, its consequences have not had much impact on our country.

In the pre-crisis period, we achieved a high level of development along with China, India and other countries with rapidly developing economies because we knew the path we should use in order to achieve this high goal.

The development of our country has been successful thanks to proper planning and competent implementation of our policies.

Through joint constructive measures, we embarked on the right path of development. Kazakhstan, with its successes recognized in the world, has increased the capacity and dynamism of the economy.

The model of Kazakhstan's unity was fully recognized and highly appreciated at its true value by heads of state and world leaders.

Thus, Kazakhstan has managed to become a strong and successful state and thanks to its initiatives, has reached a high international standing.

Through its creative policies, Kazakhstan is widely known for its significant achievements. With regard to all these factors, our country was honoured to chair the Organization for Security and Cooperation in Europe (OSCE).

We have started this new decade with that important global mission. And I strongly believe that all our future achievements will have the same success and high results.

My key task in the forthcoming decade is to provide further economic development for country, open new opportunities. This address is devoted to this goal. Following the Kazakhstan 2030 strategy, we have successfully realized the first decade of that development programme. Nowadays, the task is moving towards the next decade of the programme.

1. Implementation of the 2010 Strategic Plan, the Critical Stage of State Development

In 1997, upon the adoption of the Kazakhstan 2030 Strategy, we drew up a long-term agenda, paramount goals and priorities of the country, which were further logically developed in the Strategic Plan to 2010.

We started to live in such a way as we have planned and achieved the following results.

As early as 2008, i.e. two years early, we doubled the volume of gross domestic product (GDP) in comparison with 2000 and effectively fulfilled the social commitments of the state;

Average monthly salaries increased fivefold, and the average pension rate increased threefold;

The share of citizens with a substandard income decreased fourfold, from 50 per cent to 12 per cent;

Basic health criteria of the population were improved. Life expectancy increased from 65 to 68 years. Maternal mortality decreased twofold, and birth rate increased one and a half times.

A total of 652 schools and 463 health-care facilities have been built during the 10 years.

Today we have world-class medical centres, the Maternal and Child Health Centre and the Institute of Neurosurgery.

This year, we will commission the Cardiac Surgery Centre. The medical care of Kazakhstan's citizens is being improved across the country.

Thanks to these efforts, we will save the lives of thousands of our citizens!

Recognizing our progress, the United Nations included Kazakhstan in the ranks of countries with a high human development index in its 2009 report. This is indisputable evidence of our increased welfare! In one decade, 350,000 families, approximately 1.2 people, received new housing. A total of 32,000 kilometres of roads were built and repaired, equal to one third of all roads in Kazakhstan.

Following the letter and spirit of the Development Strategy of Kazakhstan to 2010, we have fulfilled all the goals outlined for the first decade of the twenty-first century.

2. Period of Crisis — Time for Right Decisions

The world financial and economic crisis affected our economy's growth rate but failed to stop our development. The accumulated economic potential ensured our sustainability in the most severe battles with crisis over the last three years.

We protected the financial system of the country and saved major banks.

We didn't leave behind small and medium businesses.

We attained unheard-of growth in "Kazakhstan's share" in public purchases of national and transnational companies.

Unprecedented assistance was rendered to the agricultural sector.

The state undertook all expenditures related to completing the mortgaged housing construction.

Owing to the successful implementation of the "Road Map 2009" programme, 862 projects on the reconstruction of municipal housing have been implemented and 737 kilometres of electrical lines, 1,029 water supply networks, 284 kilometres of heating pipelines, roads, hundreds of schools and hospitals and cultural and sports centres have been repaired.

It was the first time we fulfilled such substantial work, touching every village. People are grateful to us; we did a good job.

All the work was done under my control, in a swift and open manner.

We avoided recession because we knew what had to be done and we did it fast.

The great Nehru once said: "Success mostly comes to those who act bravely". And we did act bravely.

In 2009, economic growth amounted to 1.1 per cent, and industry grew by 1.7 per cent. We entered a "breakthrough" group of countries with a positive expansion rate.

Gross foreign currency reserves and assets of the National Fund have already exceeded $50 billion, and have increased more than 25 times during the past 10 years.

It is worthwhile to say that even though last year we spent some portion of funds, today the volume of the Fund exceeds the amount of last year.

Thanks to the Fund, we not only took anti-crisis measures, but also returned considerable assets to the state, which we had had to sell in tough times. These include the Ekibastuz State District Power Station 1, the Bogatyr coal mine and our shares in Kashagan, Mangistaumunaygaz and all three oil refineries.

The unemployment rate amounted to 6.3 per cent which is below the rate noted in the pre-crisis period.

More than 400,000 jobs were created throughout the country owing to the effectively implemented employment strategy.

We have withstood the hardships. We will now begin implementing the development strategy to 2020.

3. Strategic Plan 2020: Kazakhstan's Way to Leadership

We are to:

1. Prepare the economy for post-crisis development;

2. Achieve sustainable economic development due to expedited industrialization and infrastructure development;

3. Invest actively in the future in order to increase the competitiveness of human capital;

4. Provide Kazakhstan's citizens with quality social, housing and utility services;

5. Strengthen inter-ethnic harmony and national security, and further develop international relations.

3.1 Diversification of the Economy, the Way to Success

Sustainable and balanced development during the next decade will be provided due to accelerated diversification and increasing competitiveness of the national economy.

The critical task is to achieve comprehensive growth in productivity.

In Kazakhstan, based on the economic situation as a whole, one worker manufactures products worth $17,000 annually. In developed countries, this index exceeds $90,000.

The conclusion is very simple: we should improve this situation, i.e. increase efficiency and introduce innovations.

Assessment and financial assistance at all levels of management and control according to these operational criteria will be the paramount task of our Government.

Only innovations will give a strong impetus to boosting productivity.

I have charged the Government to draw up a state programme for expedited industrial and innovation development and a detailed map of the country's industrialization.

These two documents are a detailed action plan of what, where and how we will build in the next five years.

Today we are talking about the realization of 162 projects with an investment volume of 6.5 trillion tenge, which is more than 40 per cent of the country's GDP and which will help us directly create more than 200,000 jobs in the next three years.

In the forthcoming five years, a major gas chemical complex, mineral fertilizer plants and a range of major electric power plants, such as the Balkhash thermal power plant, the Moynak hydroelectric power plant, a new block of the Ekibastuz power station and others will be put in operation.

By 2014 we will modernize all three oil refineries and will have the capability to fully satisfy our domestic needs in all oil products.

Each industrial project in each region should be taken under special control not only by local authorities, but also by the whole community. Only in such a way will we be able to join the 50 most competitive countries of the world.

The implementation of the 2020 programme should become the cornerstone of the work for the Nur Otan party. Nobody should stand aside, because only in such a manner will we ensure new economic growth in Kazakhstan.

A unified management centre (headquarters) headed by the Prime Minister is to be created on the implementation of the programme, as well as centres in regions headed by the akims (governors). We should work in the manner in which we acted in 2009 under the "Road Map" programme.

The ministers and the akims are responsible for solving all current problems. They will also mobilize all resources.

Industrial development is our opportunity in the new decade, bringing new possibilities for the development of the state.

Kazakhstan will be a successful industrial power; I am absolutely certain of that.

Another important segment of diversification is the development of the agricultural sector. Its development should proceed in three main directions.

First, the main accent should be placed on productivity growth.

In the agricultural sector, productivity is the lowest, economy-wise, and annually comprises approximately $3,000 per person engaged in the manufacturing process, while this index reaches $50,000-$70,000 in developed countries.

Here lie the potential for growth in rural areas. Therefore, our task is to increase productivity in the agricultural sector by 2014 by at least twofold.

Only through agrarian and industrial diversification will we be able to solve this difficult task, i.e. through the rapid growth of processing of agricultural raw materials and the introduction of new equipment, new technologies and approaches in agriculture. It is necessary to use world experience and introduce it into our agriculture faster.

The second is on ensuring food security of the country.

Domestic food products should comprise more than 80 per cent of the internal market by 2014. We have every possibility for this.

The third is realizing the export potential, primarily in the markets of the countries members of the Customs Union, in Central Asia, the Caucasus and the Middle East.

We have already been building the Zhetygen — Korgas and the Uzen — border with Turkmenistan railroad lines, which will basically open access for our products to the markets of China and countries of the Arabian Gulf. The Western China-Western Europe motorway, which we will start to build, is an important highway for goods.

I would like to pay special attention to the sectors of the "economy of the future". An efficient and effectively functioning national innovation system should become its foundation.

We have already had some developments in this direction. We will go further. Three new scientific centres will be established as part of the New University in Astana.

The Life Sciences Centre will conduct research jointly with the leading world scientific centres in the sphere of organ transplantation, artificial hearts and lungs, stem cells and the medicine of longevity.

The Energy Research Centre will be dealing with issues of renewable energy sources, physics and high-energy technologies.

The Interdisciplinary Instrumental Centre will be an engineering centre, and will include laboratory facilities and a design bureau.

All three centres will be established this year.

I task the Government with developing an intersectoral joint industry plan for scientific and technological development of our country to 2020, based on the priorities for our industry this year.

It is also necessary to expedite the drafting of a new law on science. This is important for further development.

3.2 Proper Trade Policies and Support of the Economy's Competitiveness

Kazakhstan is an active participant in integration processes throughout the Commonwealth of Independent States (CIS). The establishment of the Customs Union with Russia and Belarus that came into force the first of January 2010 is a breakthrough for all of Kazakhstan's integration initiatives.

The creation of a Single Economic Space since 1 January 2012 becomes the next stage of integration of the three countries. It will mean a higher level of integration, where free movement of capital and manpower will be provided.

In support of regional economic integration in the CIS, the Government should expedite the processes of accession to the World Trade Organization on conditions meeting the priorities of economic development of Kazakhstan.

I believe that already now it is important for our entrepreneurs to evaluate the emergence of new possibilities, seriously engage in the elaboration of effective strategies on entering new markets and increase competitive advantages.

Certainly, as they say, "where there is no competition, one sleeps better but lives worse". Citizens of Kazakhstan do intend to live better, and will not allow anything to stand in the way of their plans.

3.3 Attracting Investment

It is obvious that state resources would not be enough for the realization of our diversification plans. Foreign direct investment should become the basic source.

The issues of attracting investment to Kazakhstan were of high priority during my international visits. Many states see reasons to invest in our economy.

Today, the issues of attracting investments from China, South Korea and the United Arab Emirates, as well as French, Italian and Russian companies, amounting to $20 billion have been resolved.

These investments will be channelled to the non-raw-materials sector and will provide for the commissioning of dozens of facilities under the industrial programme of infrastructure and joint ventures.

The issues of attracting approximately $3 billion in investment for the "Western China-Western Europe" motorway and $2 billion for a gas pipeline from the west to the south of the country have also been resolved.

All of this is notwithstanding investments in the materials sector, which will comprise more than $10 billion. As you see, great work on supporting this programme with financial and material resources has been done.

We must create the most attractive environment in Kazakhstan for investors willing to work in our region.

Taking into account the priorities of industrial development, new approaches to the functioning of Special Economic Zones and industrial parks are required. I charge the Government with developing a new bill on Special Economic Zones.

The mechanism of the public-private partnership carried substantial potential for attracting private investments.

We have launched this mechanism in Kazakhstan, but it requires improvements in accordance with the best international practices.

I charge the Government with making appropriate changes to the legislation on concessions in the first half of the year. In order to introduce the principle of project financing, we need to stipulate the legislative possibility of establishing special project organizations with special legal status.

3.4 Entrepreneurship, the Driving Force of New Economy

Entrepreneurship will be the core of diversification.

We would like to see a powerful entrepreneurial class emerge, ready to undertake risks, master new markets and introduce innovations.

It is entrepreneurs that constitute the driving force of economic modernization.

In this regard, I charge the Government with ensuring the introduction of a single budget programme on entrepreneurship development in the regions starting in 2010.

I propose to call it the "2020 Business Road Map".

The purpose of this programme is to create permanent jobs due to development of a new layer of enterprises in the regions, especially small and medium businesses.

The funds under the programme should be used in the following directions:

- Financing interest on loans;
- Partial credit guarantees for small and medium businesses;
- Service support for businesses;
- Retraining personnel and professional development, youth practical training and social jobs.

The "2020 Business Road Map" opens up new opportunities both for entrepreneurship and for banks and investors for financing non-material projects.

The Government, together with the akims, will develop within the three-year budget overall funding limits, broken down year to year, based on calculations of the economic potential of each region. These funds are to be transferred to the regions.

The akims will be fully responsible for small and medium business projects financed by the programme.

I charge the Government with transferring the responsibility for social entrepreneurship companies to local executive bodies, which, in fact, should become regional business development corporations.

3.5 Domestic Goods, the Measure of Successful Implementation of Plan 2020

Support for our exporters from non-extracting industries should become the key direction of industrialization.

A wide range of domestic brands will represent Kazakhstan's industry in export markets.

Therefore, the task of the Government is to create an integral export support system which provides financing for the acquisitions of capital assets, service support of exports, grants for exporters and export trade financing.

3.6 Development of the Regions, Development of the Country

We will not be able to achieve accelerated diversification without the reform of regional development. Therefore, we need to start establishing centres of economic growth. In the west of Kazakhstan, it is necessary to develop the oil and gas sector, the chemical industry, equipment production and transport capacities.

In the centre, north, south and east, the priorities will include a mining and smelting complex, atomic and chemical industry and agriculture.

We need to develop sectors based on domestic demand along with traditional industries, as well as in the cities of Almaty and Astana, which possess powerful human resources.

It is reasonable to develop non-primary sectors with high export potential as well as agricultural sectors in both the northern and southern regions of the country.

The sectors of the economy of the future should be developed in Almaty and Astana.

Special importance will be attached to further development of our capital, Astana, the city with the competitive economy, attractive for citizens of our country and tourists.

A new regional policy is the most important part of the Strategic Plan 2020.

I charge the Government, together with the akims of regions, as well as of Astana and Almaty, with thoroughly working through the issues of investment policy in the regions.

3.7 Basic Conditions of the Implementation of the Strategic Plan 2020

To prepare the economy for the global revival and for increasing its resistance to outside challenges, we have to solve a three-pronged task:

- First, significantly improve business climate;
- Second, ensure stable functioning of the financial system;
- Third, continue building a reliable legal environment.

I charge the Government with reducing operational business expenses related to registration and business conduct by 30 per cent by 2011 and another 30 per cent by 2015.

By the end of the decade, the share of small and medium businesses in the GDP should increase to 40 per cent.

By 2020, Kazakhstan will enter the top 50 countries with the most favourable business climate.

It is important to ensure stability and steady work of the financial system.

It is necessary to make the domestic stock market work, which by 2020 will be the regional centre of Islamic banking in the CIS and Central Asia and will enter the list of the top 10 financial centres in Asia.

Regulation of the domestic financial system will adequately address the challenges and threats of the post-crisis world.

Financial regulators will ensure the reduction of the share of external liabilities of the banking sector in the cumulative amount of its liabilities.

The overwhelming bulk of foreign borrowing should be aimed at establishing efficient and competitive industries.

It is necessary to cut off banks from explicitly or implicitly affiliated structures.

We need to monitor banks strictly to make sure that they deal with banking exclusively and that their activity is extremely transparent.

We helped the banks to survive during the crisis, and now the banks have to help the economy actively in its post-crisis recovery and development.

During the crisis, the National Fund acted as a sort of "airbag" for us. Now the Fund's goal is to become a guarantor of stability and prosperity.

The Government needs to engage seriously in building the potential of budget revenues earned from sources other than export of raw materials.

By the end of this decade, the non-oil budget deficit should not exceed 3 per cent of GDP. In the future, it needs to be reduced to zero.

Starting this year, guaranteed transfer to the national budget will be fixed at the absolute amount of $8 billion.

This transfer should be channelled, first of all, to the implementation of industrialization.

No loans from the National Fund nor other additional transfers to the budget will be made.

Given these approaches, the assets of the National Fund will increase to $90 billion by 2020, which will amount to at least 30 per cent of GDP.

I charge the Government with submitting a new concept of formation and use of the National Fund for my approval in the first quarter of this year.

Overall, by 2020 we must achieve the following main results of accelerated diversification of the economy:

- The share of manufacturing in GDP should be at least 13 per cent;
- The share of non-primary exports in total exports volume should rise from 27 per cent to 45 per cent. Productivity in the manufacturing industry should be increased twofold, and at least fourfold in agriculture;
- Energy use as a percentage of GDP should be reduced by at least 25 per cent. The share of enterprises active in innovation should increase from 4 per cent to 20 per cent. By 2015, the export potential of the agricultural sector should increase from 4 per cent to 8 per cent, while Kazakhstan's building materials should satisfy 80 per cent of domestic demand for construction.

This is the specific task facing the Government and akims at all levels. That is what we will exact an account for. Therefore, it is necessary to increase the responsibility of managers of all companies and businesses. This is a global issue, an issue of nationhood, and an issue of independence.

In five years, the Government should ensure the doubling of the production and export of metallurgical products and the tripling of the production of chemical products. By 2015, budget revenues from new projects will grow by 300 billion to 400 billion tenge, reducing dependence on sectors related to the export of raw materials.

4. People, the Main Wealth of the Country

Success in the implementation of the strategy of modernization of the country depends, first of all, on knowledge and the social and physical condition of Kazakhstan's citizens.

4.1 Education

By 2020, all children, in both urban and rural areas, will be involved in preschool upbringing and education. We have considerable potential in the sphere of public-private partnerships. Private family kindergartens and mini-centres are an alternative to state institutions.

I charge the Government, together with akims, with developing and proceeding to the implementation of a special "Balapan" programme in the first half of this year, aimed at expanding the involvement of children in preschool upbringing and education.

The Government will take all necessary measures to ensure the 12-year model of learning in secondary education to be successfully applied by 2020.

Vocational and technical education will be based on professional standards and will be tightly interconnected with the needs of the economy.

The quality of higher education will meet the highest international standards. Universities of the country should strive to achieve ratings on par with the leading world universities.

By 2015, the National Innovation System will be fully operational, and by 2020 it should already be yielding results in the form of developments, patents, and ready technologies to be introduced in the country.

Special priority in the educational sphere will be attached to projects, such as those unique educational institutions being established in Astana, including the New International University, the Special Fund and intellectual schools, which are already operating successfully.

I have agreed that they are to be named after me.

We should do all that it takes to make them the flagships of the national educational system and the main platforms for the development and testing of advanced educational programmes with their further implementation throughout the Republic.

I charge the Government with developing and submitting a relevant bill to the Parliament in the first quarter of this year so that these educational organizations would operate adequately.

4.2 Health care

People's health is an integral component of Kazakhstan's success in achieving its strategic goals.

Today we are preparing to introduce a results-oriented system for the financing and payment of medical services. We have created all necessary basic conditions for an effective system of medicine provision.

Fifty per cent of medicines will be manufactured in our country.

It is necessary to accelerate the introduction of amendments into the legislative acts of the Republic on activities of public enterprises in the spheres of education and health care.

Healthy lifestyles and the principle of people's joint responsibility for their own health should be foremost in public policy on health care and the daily life of our population.

The sports infrastructure, which we are preparing for the Asian Games in 2011, will create the necessary prerequisites for the development of a mass sports movement, forcing the regions to keep up with Astana and Almaty.

The Ministry of Tourism and Sports, together with the akims, need to identify joint activities to develop mass sports in the country and to translate them into reality.

Up to 30 per cent of people in Kazakhstan should be involved in mass sports. We will see progress only in this case. This is also a task for the whole Government.

A set of governmental measures on the construction and equipping of health facilities, training personnel and promoting a healthy lifestyle by 2020 will reduce maternal and infant mortality twofold, total mortality by 30 per cent and the incidence of tuberculosis by 20 per cent.

At that, life expectancy is expected to increase to as much as 72 years. Behind these dry figures are the thousands of our citizens' lives that will be saved. This is the most important goal. Therefore, we must achieve it by all means!

4.3 Improving Quality of Life and Social Protection

The major tasks for the forthcoming decade are to improve the quality and standard of life for all citizens of Kazakhstan and to strengthen social stability and security. The state will create all necessary conditions to increase the population of the country by 10 per cent by 2020.

Our primary priority in governmental social policy is to provide employment to the population.

Therefore, I set the goal that by 2020 the unemployment rate will not exceed 5 per cent, and the share of citizens with a substandard income will be no more than 8 per cent.

Social services should be rendered only to needy citizens and correspond to modern standards and standard of living in Kazakhstan.

By 2015, standard pension rate should be increased to the level of 60 per cent of the living wage rate, and the rates of state social allowance should be increased by 1.2 times with respect to 2010.

We are coherent in our actions. Last year, rates of pensions, grants and the wages of employees of the state-financed organizations increased by 25 per cent. Social allowance on average increased by 9 per cent.

A 25 per cent increase in pension rates from the first of January and in grants and wages to public employees from the first of July is provided in the national budget for the current year.

I believe positive economic growth dynamics last year allows us to carry out a 25 per cent increase in grants and wages to public employees three months earlier, as of April 2010. I charge the Government with taking the necessary measures to this end.

4.4 Caring for Veterans

This year we celebrate the sixty-fifth anniversary of the victory in the Great Patriotic War. This date is important in our common history.

Lump-sum aid of 65,000 tenge will be paid to each veteran and disabled soldier from the budget.

Persons considered equivalent to veterans and disabled soldiers, parents and spouses of military men who died in the Great Patriotic War, widows of disabled soldiers and invalids and workers on the home front during the military years will also get material support.

Besides, in connection with the large-scale celebration of the sixty-fifth anniversary of the victory, 383 million tenge are to be provided to cover travel privileges for veterans and disabled soldiers.

This is a tribute to our fathers and grandfathers for their self-sacrificing fight, for their victory and for our peaceful life thanks to them.

4.5 Housing and Utility Sector Policy

The lessons from the crisis require improvement of the policy for housing construction. I believe the system of housing construction savings for this purpose has considerable potential. It is necessary to use the principle of equal partnership of citizens, the Zhilstroisberbank, the state and construction companies.

What does this mean?

Citizens accumulate a part of the cost of housing in the Zhilstroisberbank and have an opportunity to take out an inexpensive mortgage.

The Zhilstroisberbank forms a pool of preferences of citizens in terms of housing, searches for construction investors and second-tier banks ready to finance the construction of housing and finally acts as a customer.

The state, through local executive agencies, allocates land and supplies utilities.

Thus, citizens may participate fully in the construction of their homes. Both consumer demand and controllable construction will be provided. I charge the Government with continuing in 2010 the reconstruction of objects of the housing and utility sector initiated according to the 2009 Road Map plan and, by 2011, with developing a plan of large-scale modernization of the housing and utilities infrastructure to 2020.

Modernization of the housing and utilities infrastructure should be accompanied by a decrease in specific operational costs and the introduction of resource-saving technologies.

It is necessary to continue work on tap water provision in rural areas. In small cities 100 per cent of the population should have access to quality water.

5. Internal Stability, Reliable Foundation of the Strategic Plan 2020

Preservation of harmony and stability in the society and strengthening of the state's security are the main objectives in the sphere of the internal policy and national security to 2020.

In the new decade, we will continue to improve our political system, supporting the success of our economic plans with consecutive political modernization. Legal reform will play a key role in this.

Serious work on reforming the law enforcement system is expected. Today, unfortunately, all of us see problems which have arisen due to ineffective management, conflict in law enforcement bodies' functions, the absence of due personnel work and also the absence of transparency and control over law enforcement system activity in the country.

This sector has kept many defects of the previous system. Penalties comprise less than 5 per cent, corrective works only 0.4 per cent and public works 0 per cent in our penal system.

Imprisonment remains the main type of punishment. Nobody deals with the rehabilitation of people released from prisons.

As a result they join the ranks of serial criminals.

I would single out several general directions of reform.

First, it is necessary to optimize the law enforcement system and build well-defined competence of each state body.

It is necessary to humanize our laws and increase their quality.

In the activities of the law enforcement system, the accent should be moved from intradepartmental interests to the protection of rights of citizens and interests of the state.

We should provide tight parliamentary and public control. Therefore, it is required to improve the system of reporting and estimation of activity of each law enforcement body.

The criteria of effectiveness should be not quantitative indices but quality of work, which will be indicated through the growth of trust of citizens, legal bodies and foreign investors.

In other words, in the new decade we need a new law enforcement system corresponding to high international standards for a law enforcement service in a democratic state. A draft of a corresponding document has been prepared on my order.

Therefore, I ask the Presidential Administration, the Government, the Supreme Court and law enforcement bodies to start this comprehensive and systematic work on modernizing legal policies immediately.

I also charge the Parliament with introducing a bill on reform of the law enforcement system this year.

Dear fellow people of Kazakhstan!

The political process aimed at supporting civic and public institutions in the country will continue.

Our cooperation is one of the main conditions for our common success. In the coming decade, great achievements await us.

I charge the Government with allocating 1 billion tenge to the news media and non-governmental organizations in order to explain the main principles of the programme of social, economic and political development of Kazakhstan to 2020. This should be done through state procurement.

Last year, from this podium, I called on political parties to establish a dialogue among themselves in order to support the country and the society in this difficult crisis period.

My initiative was taken up, as seven political parties jointly developed and signed a memorandum on ensuring economic and political stability in the conditions of economic crisis. I am deeply grateful for that. This was an event of major importance. We note that the political rhetoric during that period was reasonable, while criticism in many cases was indispensable.

This has turned into a national value helping to preserve peace, calm and mutual understanding in a country where we live and where our children grow.

It is time to move forward from a dialogue among political parties to concrete deeds. For any party and association works in the interests of the people of Kazakhstan. That is why I propose to all political parties and public associations to develop a new model of interaction which would effectively lead to national unity and development.

This will bring together all political forces in the interests of the Motherland. The Nur Otan party should play a unifying role in that effort.

Distinguished people of Kazakhstan!

It is impossible to carry out the planned grandiose tasks of the future without a national strategy uniting all.

If we strive to achieve success, each of us should proceed from the following principles:

The first one is that our Motherland, independent Kazakhstan, comes first!

The second is that the state and each citizen refuse to take any steps negatively affecting stability in the society and the welfare of the people of Kazakhstan, whether in the country or abroad.

The third is that economic growth is the business of everyone. This is a key to solving priority social problems and to ensuring the welfare of the whole society and each citizen of Kazakhstan!

The fourth is that the integration into regional and world markets is the most important condition of development.

6. Foreign Policy

Kazakhstan's foreign policy will be based on the Concept of Foreign Policy.

We will pursue an active, pragmatic and balanced foreign policy aimed at ensuring national interests, increasing the international prestige of our country and strengthening national, regional and global security.

Kazakhstan intends to participate in the processes of global decision-making in the formation of a new architecture of international relations and outlines of the world trade and financial system.

Kazakhstan will actively promote the regulation of strategic dialogue between all existing systems of collective security.

Kazakhstan realizes in full its role as a responsible participant in regional and worldwide economic processes and has faultlessly carried it out throughout all the years of its independence.

Therefore, the heads of leading countries of the world and the heads of authoritative international organizations, from economic to humanitarian organizations, consider themselves friends of Kazakhstan.

We should be proud of this.

Kazakhstan's high international reputation allowed our country to become the chairman of the Organization for Security and Cooperation in Europe. It is a great

honour for us. It brings the highest responsibility of chairing the OSCE during the most complicated period of the modern history of mankind.

The OSCE, with the unique geographic structure of participants, including 56 states located on three continents, with a wealth of experience on interaction of the states, is one of the key mechanisms of international security and cooperation.

We have already outlined our vision of the chairmanship of the OSCE. Therefore, I will not go into details.

Kazakhstan's chairmanship in the most authoritative organization for security will have the motto, "Trust. Traditions. Transparency. Tolerance".

Jointly, we will search for common ways of tackling many pressing problems and develop mechanisms for the prevention of possible crisis situations.

We intend to expand and strengthen the consensus on basic security issues, as well as on the development of the Organization itself.

We will do everything it takes to make the OSCE structure recognizing the diversity of the world of the twenty-first century.

Many OSCE participating states supported the plans of Kazakhstan, as well as my proposal on holding an OSCE summit in Astana this year.

I suggested discussing actual problems related to security in the area of the OSCE, the situation in Afghanistan and tolerance issues at the summit.

Our chairmanship in the OSCE will be aimed at the development of security and prosperity of people all over the world.

Dear people of Kazakhstan!

Distinguished members of Parliament!

As you see, we are ready for a new stage of development of our country. We have never before solved such a complicated and considerable task.

We have carefully analysed and weighed all our possibilities for one decade forward.

The Development Programme to 2020 will be given to you and published in the press. There, we basically preview on a monthly basis what will be made and built, as well as where and how. And the most important thing, as was mentioned above, is that all of our efforts be supported by the necessary financial resources.

We know what difficulties we will face. The world crisis is not over yet, but its critical stage has passed. As I did last year, I warn that force majeure circumstances may change our plans, but our general line will be kept.

This is the essence and importance of our programme.

Everyone will get access to quality medical services.

Quality education from kindergarten to university will be accessible to each family throughout the country.

The quality of housing and utility services will be improved in the country.

Pensioners, the disabled and needy families will be safely protected.

The youth, the basis of our future, will have new possibilities to build their future.

These are new possibilities which are being opened before each of you, before your family, before our country.

Having united for the sake of achieving our strategic objectives defined by the Development Strategy to 2030, we successively carry out our mission: we are building an independent, prosperous and politically stable Kazakhstan.

We place high hopes on members of the Nur Otan party, who should mobilize all the society, all members of the party, in order to explain and implement the tasks of the forthcoming decade, basically leading this work and making it their own programme.

My compatriots!

Concluding my address to you, I would like to tell you: together we have succeeded in making Kazakhstan successful and together we can make it prosperous.

There is a wise folk saying: "A nation which lives in accord is accompanied by success".

Having strengthened our statehood, we praised the valor of the Kazakh people. We have reached high results, but there is still much to do, and there are many ambitious goals ahead.

A country with a small population and a developing economy requires new technologies. Only under these terms will we be equal to advanced global powers and regional states.

The final goal of this programme is to strengthen the independence of Kazakhstan and the Kazakh people as a nation and to open opportunities for the Kazakh language and culture to develop and flourish.

This aim can be achieved by maintaining the unity of the people of Kazakhstan.

We can achieve this goal only by preserving the unity of the people. Recently, I have been receiving letters and telegrams from all parts of Kazakhstan, most of them with questions on the present chairmanship of Kazakhstan in the OSCE and my personal work. In this regard, I will give an example of one of the letters in order that you may visualize the sentiments of the people:

> Dear Nursultan Abishuly, Kazakhstan is playing a leading role in Europe today, which is the source of pride and joy for us. For 85,000 residents living near the border area, security and cooperation is of particular importance. This is the main goal and desire of the people. Did the Kazakh people ever play such a prominent role in Europe, when at best we had only dreamt of looking that way? I wish you and the Kazakh people success in worthily fulfilling this important mission. In our region, people live in peace and health. The most important thing is, nothing is disturbing the dreams of our children. The living conditions have been gradually improved. May God support you in your work.
>
> Signed, Sovet Orazaev, an honorary citizen of the Rayimbek District.

Numerous letters with outright support reflect the generosity and patience of the people. They show high literacy and deep understanding and awareness of present situation in our own country and in the rest of the world.

Therefore, in this sense, with knowledge and perseverance, we must achieve the successful implementation of this programme. This is a task not only for the President, the Parliament and the Government.

We want our own future to be bright. In this case, we must take on extra work and roll up our sleeves.

I wish you, dear compatriots, success in achieving these noble goals!

Thank you for your attention.